VIA Federal Express Mail

NOTICE OF LIABILITY UNDER CERCLA WAIVER OF SPECIAL NOTICE FOR REMEDIAL INVESTIGATION/FEASIBILITY STUDY [and Demand for Past Costs] Do we want to Demand Past Costs?

Mr. Ron Potter Vice President and General Counsel Parker Drilling Offshore Corporation 1401 Enclave Parkway, Suite 600 Houston, Texas 77077

Mr. John R. Eldridge Haynes and Boone, LLP 1 Houston Center 1221 McKinney, Suite 2100 Houston, Texas 77010

Re: Gulfco Marine Maintenance Superfund Site, Freeport, Brazoria County, Texas Cerclis ID TXD055144539 SSID 06JZ

Dear Mr. Potter:

The purpose of this letter is to notify you of your potential liability, as defined by Section 107(a) of the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA," also known as "Superfund"), 42 U.S.C. § 9607(a), at the Gulfco Marine Maintenance Superfund Site ("Gulfco Site" or "Site") in Freeport, Texas, and to order Parker Drilling Offshore Corporation to join the Remedial Investigation and Feasibility Study ("RI/FS") that is currently being performed under a Unilateral Administrative Order ("UAO").

BACKGROUND

The Site is located at 906 Marlin Avenue, Freeport, Brazoria County, Texas. The property consists of Tracts 21 through 25 and Tracts 55 through 58, Subdivision 8, of the Brazos Coast Investment Company. Marlin Avenue separates Tracts 55 through 58 on the north from Tracts 21 through 25 on the south. Tracts 21 through 25 are approximately four acre tracts bordered on the south by the Intracoastal Waterway. Tracts 55 through 58 are approximately five acre tracts. The entire property is about 40 acres in size. The geographic coordinates of the Site are 28 58' 07" north latitude, and 95 17' 26" west longitude.

The Gulfco Site was a former barge cleaning, servicing, and waste disposal facility that

operated from 1971 through 1998. Barges brought to the facility were cleaned of waste oils, caustics, and organic chemicals, and the wash waters generated during these operations were stored in three unlined surface impoundments, or earthen pits, located on Lot 56 on the north side of Marlin Avenue. These impoundments were closed in 1982. After 1981, waste wash waters were stored in a rented floating barge or aboveground storage tanks located at the Site.

The Site is located on the north bank of the Intracoastal Waterway between Oyster Creek on the east and the Old Brazos River Channel and the Dow Barge Canal on the west. The southern part of the Site, south of Marlin Avenue, drains toward the south where it enters into the Intracoastal Waterway. Drainage from areas north of Marlin Avenue is to the northeast into adjacent wetlands and then to Oyster Creek.

In January 2000 and in January 2001, the Texas Natural Resource Conservation Commission conducted soil, ground water, and sediment sampling, and documented the presence of various hazardous substances at the Site including volatile organic compounds, semi-volatile organic compounds, pesticides, polychlorinated biphenyls, and metals.

The Site was proposed for listing on the National Priorities List ("NPL") on September 5, 2002 (67 FR 56794), and was placed on the NPL effective May 30, 2003, in a final rulemaking published on April 30, 2003 (68 FR 23077).

In July 14, 2004, the Environmental Protection Agency ("EPA") sent special notice letters to potentially responsible parties ("PRPs") at the Gulfco Site, inviting the PRPs to negotiate an Administrative Order on Consent. After negotiations reached an impasse, EPA issued an UAO on May 23, 2005. The UAO was amended on July 14, 2005 (see Enclosure A for list of parties). Since July 29, 2005, the effective date of the UAO, the PRPs have been conducting the RI/FS.

NOTICE OF POTENTIAL LIABILITY

EPA has information indicating that you may be a Potentially Responsible Party (PRP) as defined by Section 107(a) of CERCLA, 42 U.S.C. § 9607(a), with respect to hazardous substances at this Site. Based on available information, included as Enclosure C, Environmental Protection Agency ("EPA") has determined that Parker Drilling Offshore Corporation is liable as a successor to Hercules Offshore Corporation, a former owner/operator of the Gulfco Site. PRPs under CERCLA include current and former owners and operators of the Site, as well as persons who arranged for disposal or treatment of hazardous substances sent to the Site, or persons who accepted hazardous substances for transport to the Site.

DECISION NOT TO USE SPECIAL NOTICE

Under CERCLA, EPA may use special notice procedures when EPA believes these procedures would help us reach an agreement with you. The special notice procedures are described in Section 122(e) of CERCLA, 42 U.S.C. § 9622(e) and those powers given to the President by Section 122(e) of CERCLA have been delegated to EPA.

EPA has decided not to use, or to waive, special notice procedures pursuant to Section 122(e) of CERCLA at this time for the RI/FS at the Site because the RI/FS is currently being conducted under an UAO. Therefore, EPA has decided that it is inappropriate to invoke the Section 122(e) procedures.

The decision not to use the special notice procedures does not preclude you from entering into discussions with EPA regarding your participation in response activities at the Site. This decision simply means that EPA will not invoke a moratorium at this time.

On July 14, 2005, EPA issued the amended Unilateral Administrative Order ("UAO") to the parties. As a result, the parties complying with the UAO have formed a group (the "Gulfco Restoration Group") to address the required actions. The EPA encourages you to coordinate with the Gulfco Restoration Group in addressing this action. The lead contact for the Gulfco Restoration Group is:

Mr. James C. Morriss III Thompson & Knight LLP 1900 San Jacinto Center 98 San Jacinto Boulevard Austin, Texas 78701-4081 Phone: (512) 469-6130

CONCLUSION

This letter is a notice of your potential liability, as defined by Section 107(a) of CERCLA, 42 U.S.C. § 9607(a), at the Gulfco Site. Pursuant to Section 106(a) of CERCLA, 42 U.S.C. § 9606(a), Parker Drilling Offshore Corporation is ordered to perform the actions as explained in the enclosed Amended Unilateral Administrative Order for the Gulfco Site.

If you wish to meet with EPA, or if you have any questions regarding this Notice, please contact:

Ms. Barbara Nann
Assistant Regional Counsel
U.S. Environmental Protection Agency, Region 6
Office of Regional Counsel (6RC-S)
1445 Ross Avenue, Suite 1200
Dallas, Texas 75202-2733
Telephona Number: (214) 665-2157

Telephone Number: (214) 665-2157 Fax Number: (214) 665-6460

E-Mail Address: nann.barbara@epa.gov

If you have any other questions regarding the Site, please contact:

Mr. M. Gary Miller, Remedial Project Manager

U.S. Environmental Protection Agency, Region 6 Superfund Division (6SF-RA) 1445 Ross Avenue, Suite 1200 Dallas, Texas 75202-2733

Telephone Number: (214) 665-8318

Fax Number: (214) 665-6660

E-Mail Address: miller.garyg@eoa.gov

Sincerely yours,

Samuel Coleman, P.E. Director Superfund Division

Enclosures

Orig: 6SF-RA: Miller-Garyg: x8318:9/5/07:L:\SuperFund\Special Notice\ Parker WSN 9-5-07

CONCURRECE

6SF-TE	6RC-S	6SF-AP	6SF-TE	6RC-S	6SF-A	6SF
Aldridge	Nann	Chavarria	Johnson	Peycke	Hepola	Hubbard

cc: Ms. Luda Voskov (Project Manager)

Environmental Cleanup II (MC-143)

Texas Commission on Environmental Quality (with enclosure)

Mr. Mark Vickery (Deputy Director)
Office of Permitting, Remediation and Registration
Texas Commission on Environmental Quality (without enclosure)

Respondents (Enclosure A)

ENCLOSURE A

LIST OF RESPONDENTS

GULFCO MARINE MAINTENANCE SUPERFUND SITE

1. **Dow Chemical Company**

CT Corporation System Registered Agent for Dow Chemical Company 350 N. St. Paul St., Suite 2400 Dallas, TX 75201 Dow Chemical Company 3020 Dow Center Midland, MI 48674

2. **Mr. Ronald W. Hudson**

34 Green Slope Place The Woodlands, TX 77381

3. LDL Coastal Limited L.P.

LDL Coastal Limited L.P. 906 Marlin Dr., CR 756 Freeport, TX 77541 LDL Management, LLC 906 Marlin Dr., CR 756 Freeport, TX 77541

4. **Mr. Jack Palmer**

1509 Alta Vista Alvin, TX 77511

5. **Parker Drilling Company**

Corporation Service Company, Registered Agent for Hercules Offshore Corporation c/o Parker Drilling Company 800 Brazos Austin, TX 78701 Parker Drilling Company 1401 Enclave Parkway, Suite 600 Houston, TX 77010

6. **Sequa Corporation**

Chromalloy American Corporation c/o Sequa Corporation 111 Eighth Avenue New York, NY 10019 CT Corp. System, Registered Agent for Sequa Corporation 350 No. St. Paul St. Dallas, TX 752011

ENCLOSURE B

UNILATERAL ADMINISTRATIVE ORDER AND STATEMENT OF WORK

GULFCO MARINE MAINTENANCE SUPERFUND SITE

ENCLOSURE C

EVIDENCE OF LIABILITY

GULFCO MARINE MAINTENANCE SUPERFUND SITE

PRP: Parker Drilling Offshore Company